SPECIAL TAXES DEPARTMENT ELECTRONIC FUNDS TRANSFER (EFT) PROGRAM

INFORMATION GUIDE

STATE OF CALIFORNIA BOARD OF EQUALIZATION

> JANUARY 2001 Publication 89-T

For EFT Assistance...

If you have questions regarding electronic funds transfers for Special Taxes Department tax or fee programs, please call the appropriate division for your tax or fee program listed below between 8:00am and 5:00pm, Pacific Time, Monday through Friday.

Environmental Fees Division EFT Programs

Disposal Fee Facility Fee and Tiered Permit Fees

Environmental Fee Generator Fee

Activity Fee Occupational Lead Poisoning Prevention Fee

Telephone (916) 322-9534 FAX (916) 327-0859

Address: State Board of Equalization

Environmental Fees Division

P.O. Box 942879

Sacramento, CA 94279-0057

Excise Taxes Division EFT Programs

Alcoholic Beverage Tax Integrated Waste Management Fee

Emergency Telephone Users Surcharge Tire Recycling Fee
Energy Resources Surcharge Tobacco Products Tax

Telephone (916) 327-4208 FAX (916) 323-9297

Address: State Board of Equalization

Excise Taxes Division P.O. Box 942879

Sacramento, CA 94279-0056

Fuel Taxes Division EFT Programs

Aircraft Jet Fuel Tax Motor Vehicle Fuel License Tax

Childhood Lead Poisoning Prevention Fee Underground Storage Tank Maintenance Fee

Diesel Fuel Tax Use Fuel Tax

Oil Spill Response, Prevention, & Administration Fees

Telephone (916) 322-9669 FAX (916) 323-9352

Address: State Board of Equalization

Fuel Taxes Division P.O. Box 942879

Sacramento, CA 94279-0030

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Note: This pamphlet summarizes the law and applicable regulations in effect when the publication was written, as noted on the cover. However, changes in the law or in regulations may have occurred since that time. If there is a conflict between the text in this publication and the law and/or regulations, the latter are controlling.

I. INTRODUCTION TO ELECTRONIC FUNDS TRANSFER (EFT)

A. OVERVIEW

It is now possible for tax and fee payers in Special Taxes programs (Environmental Fees, Excise Taxes and Fuel Taxes) to make prepayments, return payments, and accounts receivable payments electronically, rather than through the use of paper checks. Known as EFT payments (for "electronic funds transfer"), these payments are made by authorizing the electronic transfer of funds from one account to another. Such payments can be initiated by telephone, or through the use of a personal computer and modem. You may also arrange for payments to be made by your bank.

B. PROGRAM PARTICIPATION

MANDATORY PARTICIPATION

Effective January 1, 2001, Special Taxes accounts whose estimated average monthly tax or fee payments equal or exceed \$20,000 are required to participate in the EFT program. Taxpayers and feepayers required to pay by EFT are notified in writing and given a date when their mandatory status will commence.

VOLUNTARY PARTICIPATION

If you are not required to make your tax or fee payments through electronic funds transfer, you may choose to do so on a voluntary basis. Voluntary participation in the EFT program is subject to Board approval.

WITHDRAWAL FROM PARTICIPATION IN EFT

If you are a mandatory participant in the EFT program, the Board will conduct an annual review of your account. If you drop below the mandatory threshold for participation, the Board will send you a letter, advising you that your status has been changed from mandatory to voluntary. If, at that time, you wish to discontinue making EFT payments, you may do so by sending a written request to the Board.

If you are a voluntary participant, you must make EFT payments for at least one year. After that time, you may write the Special Taxes division that administers your program and request to discontinue making payments by EFT. For the request to be approved, your average monthly payment over a twelve-month period must be less than \$20,000.

C. PAYMENT OPTIONS

There are two reporting methods for making EFT payments: Automated Clearing House (ACH) debit and ACH credit. The differences between the two methods are explained in this section to help you select the payment method you prefer. After deciding on a payment method, you must complete an Authorization Agreement for Electronic Funds Transfer (BOE-555-ST). See the Registration section on page 6 for more information on how to register for EFT.

AUTOMATED CLEARING HOUSE (ACH) DEBIT METHOD

DEFINITION

The ACH debit method allows you to transfer funds by authorizing the state to electronically debit an account you control in an ACH participating financial institution for the amount(s) which you report to the state's data collection service, a third party vendor.

COSTS

The state pays the cost for you to report an ACH debit transaction. You will be responsible for the fees, if any, that your financial institution may charge you for the actual transfer of funds

MAKING AN ACH DEBIT PAYMENT

To make an ACH debit payment, you simply call a toll-free number and provide your payment information to the data collection service.

You can choose one of the following methods to contact the data collection service:

- Telephone
- Personal computer

See "Personal Computers" on page 19 for information on using the personal computer method of payment.

WAREHOUSING A PAYMENT

This feature allows you to call the data collection service and select a future date for your payment to transfer into the Board of Equalization's bank account. You may designate any banking day up to sixty days in advance, as the debit date of the payment (the payment will transfer out of your bank account and into the Board of Equalization's bank account on the debit date). For example, if you will be unavailable to make a payment on the due date, you may initiate a payment earlier in the month with instructions to transfer the funds on the desired debit date. Your payment instruction will remain "warehoused" at the data collection service until it is released one day prior to the selected debit date.

AUTOMATED CLEARING HOUSE (ACH) CREDIT METHOD

DEFINITION

The ACH credit method allows you to transfer funds by instructing your financial institution to debit your account and credit the Board of Equalization's bank account.

COSTS

You must pay the fees charged by your financial institution for any set-up costs and for each ACH credit transaction initiated.

RECORD FORMAT REQUIREMENTS

Your financial institution will be debiting your account and crediting the Board of Equalization's bank account through the automated clearing house network. In order to report your tax or fee payment correctly, your financial institution must originate your payment using the Cash Concentration or Disbursement Plus Tax Payment Addendum

(CCD+/TXP) format. This is the standard format that has been adopted for tax and fee payments by the National Automated Clearing House Association (NACHA) and endorsed by the Federation of Tax Administrators.

Before selecting the ACH credit method, you should check with your financial institution to confirm that they can originate an ACH credit transaction in the required record formats.

D. REGISTRATION

HOW TO REGISTER

To register to participate in the Special Taxes EFT program, please complete and return an *Authorization Agreement for Electronic Funds Transfer* (Form BOE-555-ST). To obtain a copy of this form, call the Special Taxes division that administers your tax or fee program (listed on the inside front cover of this pamphlet).

If you register for the ACH debit method, you will be asked to provide a voided check. Your check will show your financial institution's routing/transit number and your account number. This information is needed to transfer funds through the ACH network. You should verify with your bank that you have provided the correct bank account and transit and routing number on the authorization form. If you are unable to provide a voided check, a bank specification sheet may be used instead of the voided check.

After we have received and reviewed the completed authorization form, we will send you a letter confirming your EFT start date.

CHANGING REGISTRATION INFORMATION

You must contact the Special Taxes division that administers your program if you:

- Change payment methods (between ACH debit and ACH credit)
- Change financial institutions
- Change your checking or savings account number
- Change your EFT contact person or telephone number

E. GENERAL INFORMATION

EMERGENCIES

If you experience a problem with making payments through the ACH debit or ACH credit methods, call the Special Taxes division that administers your tax or fee program listed on the inside front cover of this pamphlet. You will be given instructions for making your payment.

PAYMENT BY EFT REQUIRED

If you are required to pay through electronic funds transfer, you must continue to make EFT payments unless the Board advises you in writing that you are no longer required to do so. If you are subject to mandatory EFT and do not pay through EFT but use another means to

pay (by check, for example), you will be subject to a 10 percent penalty on the taxes or fees that were due at the time of the payment.

FILING OF TAX OR FEE RETURN REQUIRED

Whether you choose the ACH debit or ACH credit method, you must continue to file your return *forms* on a timely basis. Your return will be considered timely if it is postmarked on or before the due date. *If the return is not filed on a timely basis, even though the EFT payment may have been paid timely, you will be subject to a 10% penalty on the taxes or fees that were due at the time of the payment.*

TIMELY EFT PAYMENTS REQUIRED

If your EFT payment (including prepayments) is not timely, *you will be assessed a late payment penalty*.

REPORTING DUE DATES

When a tax or fee payment is made by check and mailed, it is considered to be timely if the check and return are mailed in an envelope postmarked by the due date. Under EFT reporting, however, a payment is considered to be timely if it is both initiated on or before the due date and the funds transfer into the Board of Equalization's bank account on the banking day following the date the payment is initiated.

Consequently, you will need to determine the date when you must initiate your payment so that it will transfer into the Board of Equalization's bank account on time. When you should initiate your payment will depend on the payment method you have selected (discussed under "When to Report a Payment" on page 9 for ACH debit or page 20 for ACH credit).

Making your payment by EFT does not relieve you of the requirement to file your return *form* by the due date. The reporting due dates and filing requirements have not changed. You should refer to your tax or fee returns for the due dates that apply to your account.

WEEKENDS AND HOLIDAYS

If a due date falls on a weekend or holiday (State or Federal), it will move to the next business day. For example, assume December 31st is the due date for the month of November. In the year 2000, that date falls on a Sunday. Since Monday January 1, 2001, is a holiday, the due date for November 2000 moves to Tuesday, January 2, 2001.

The following holidays are recognized by the State of California:

New Year's Day January 1	Labor Day First Monday in September
Martin L. King Day Third Monday in January	Columbus Day Second Monday in October
* Lincoln's Birthday February 12	Veteran's Day November 11
President's Day Third Monday in February	Thanksgiving Day Fourth Thursday in November
Memorial Day Last Monday in May	* Day after Thanksgiving Day Friday after Thanksgiving
Independence Day July 4	Christmas December 25

^{*} All the holidays listed above are recognized by the U.S. Federal Reserve System, except for Lincoln's birthday and the day after Thanksgiving.

AMENDED RETURNS

Payments that apply to amended returns can be made through EFT.

ACCOUNTS RECEIVABLE PAYMENTS

After you are registered for the Special Taxes EFT program, you may also make accounts receivable payments by EFT.

PENALTY AND INTEREST CHARGES

Electronic funds transfers will be subject to the same penalty and interest provisions currently established by the Board for unpaid taxes or fees and late tax or fee payments.

Penalty charges may be waived under limited circumstances, subject to Board approval. Contact the appropriate Special Taxes division if you have questions regarding penalty waivers.

REFUNDS

If you have transmitted more than the amount due, you may call the Special Taxes division that administers your program to get instructions for requesting a refund or possibly applying the excess payment to another period. Refunds will *not* be made through electronic funds transfer.

TRACING AN EFT PAYMENT

On occasion it may be necessary to trace a tax or fee payment—that is, to establish that a payment was reported to the data collection service (ACH debit) or was originated by a financial institution (ACH credit).

If you are using the ACH debit method, the data collection service will provide you with a reference number. The reference number will indicate the date you reported your payment. *You should keep a record of this reference number as evidence that your payment was made.* If a problem arises with your payment, this number will also enable the Board's bank to trace your transaction.

If you use the ACH credit method, you will be responsible for tracing the transaction. If a problem arises, you should contact your financial institution for assistance.

Should you have any questions regarding the tracing of payments, please contact the Special Taxes division that administers your tax or fee program.

"0" AMOUNT DUE

If you owe no taxes or fees for the reporting period, you are still required to initiate an EFT payment and report a zero dollar tax amount.

REMINDER: You are required to file a return (Form BOE-501 series) even if no taxes or fees are payable for the reporting period.

II. INSTRUCTIONS FOR USING THE AUTOMATED CLEARING HOUSE (ACH) DEBIT METHOD

A. INTRODUCTION

DEFINITION

The ACH debit method allows you to transfer funds by authorizing the state to electronically debit your bank account for the amount you report to the state's data collection service.

ESTABLISHING YOUR SECURITY CODE

Before you report your **first** payment, you must change your security code from the temporary generic security code that has been assigned to your account (except personal computer users, see page 19) by calling the data collection service at 1-800-554-7500. When selecting a security code choose a code that is unique to you to ensure that outside parties do not have access to your security code.

NOTE: If you lose or forget your security code once it has been established, call the Special Taxes division that administers your tax or fee program for assistance. See the inside front cover of this pamphlet for phone numbers.

HOW TO REPORT A PAYMENT

To report a debit payment, you need to call the state's data collection service at 1-800-554-7500. Specific instructions for making your ACH debit payment are included in this section.

WHEN TO REPORT A PAYMENT

For an electronic tax or fee payment to be timely, the transfer of funds must be initiated before 3:00pm on the due date and settlement to the Board of Equalization's bank account must occur by the *next banking day*. To ensure that your EFT payment is timely, you must call the data collection service on or before 3:00pm Pacific Time on the tax or fee due date to initiate the transfer. The service is available 24 hours a day. *If you call on the due date*, you must allow enough time to complete your call by 3:00pm Pacific Time. Otherwise, your payment will not be initiated until the next banking day and will be late.

NOTE: If you owe no taxes or fees for the reporting period, you are still required to initiate an EFT payment and report a zero dollar amount.

WAREHOUSING A PAYMENT

This feature allows you to call the data collection service and select a future date for your payment to transfer into the Board of Equalization's bank account. You may designate any banking day up to sixty days in advance, as the debit date of the payment (the payment will transfer out of your bank account and into the Board of Equalization's bank account on the debit date or settlement date). If you will be unavailable to make a payment on the due date, you may initiate a payment earlier in the month with instructions to transfer the funds on the

desired debit date. Your payment instruction will remain "warehoused" at the data collection service until it is released one day prior to the selected debit or settlement date.

NOTE: You may not select a debit date that is the same date of your call, because your account cannot be debited on the same day you report your payment.

CANCELLATIONS AND CORRECTIONS

You may cancel or correct a reported transaction by calling the data collection service before 3:00pm Pacific Time *the same day the transaction was reported*. In the case of a warehoused payment instruction, the transaction may be canceled if you call the data collection service before 3:00pm Pacific Time *on the day before the settlement or date*. If you have reported the wrong information to the data collection service and missed the 3:00pm deadline for the correcting entry, you may call the Special Taxes division that administers your tax or fee program for assistance. See the inside front cover of this pamphlet for phone numbers.

INQUIRIES

You may inquire about a reported transaction up to sixty days after the transaction date by contacting the data collection service.

PRENOTE TEST

Following your registration for EFT, the Board of Equalization, in cooperation with the data collection service, will conduct a prenote (prenotification) test to validate your bank routing/transit number and bank account number. This test uses a zero-dollar amount and will be made at least ten days prior to initiation of your first EFT payment.

WHEN TO FILE YOUR RETURN

You must still continue to file your tax or fee return *form* on a timely basis. The reporting due dates and requirements have not changed. Please refer to the due dates listed on your returns and prepayment forms.

NOTE: If you fail to file your return form on time, you may be assessed a penalty.

HOW TO CHANGE REGISTRATION INFORMATION

You must complete a new authorization agreement if you change your payment method, financial institution, bank account, contact person, or telephone number. Blank authorization agreements can be obtained by contacting the Special Taxes division that administers your tax or fee program. See the inside front cover of this pamphlet for phone numbers.

B. BEFORE YOU CALL

In order to transfer an ACH debit tax or fee payment, you will need to have the following information available when you call.

BOE ACCOUNT NUMBER

This is the account number issued to you by the Board of Equalization. For example, an account number may look something like the following: WD ET 39-123456. When reporting a payment, **do not** include the alphabetical characters or hyphens that appear in your account number. For example, if your account number was the account number shown above, you would enter 39123456.

SECURITY CODE

After you have registered to make ACH debit payments, you will receive a temporary generic security code. Before you report your first payment, you will be required to call the data collection service and change the generic security code to a code of your choice. This is to ensure that outside parties do not have access to your security code. You will use the four-digit security code you created when reporting your payments on the ACH debit system thereafter. To change your security code, call the data collection service at 1-800-554-7500. If you lose or forget your security code, call the Special Taxes division that administers your tax or fee program for assistance. See the inside front cover of this pamphlet for phone numbers.

TAX TYPE CODE

The tax type code identifies the type of tax or fee payment you are making. The following codes are used by the Special Taxes Department of the Board of Equalization:

09000 Tax or Fee Return Payment

09001 Tax or Fee Prepayment #1

09002 Tax or Fee Prepayment #2

09003 Accounts Receivable Payment

Please ensure the correct tax type code is used to prevent misapplication of your payment.

TAX PERIOD ENDING DATE

Indicate the last day of the reporting period, **not** the due date. This information must be given in a **6-digit** month, day, year format. For example, to report taxes or fees for January 2001, the tax period ending date would be 013101 (January 31, 2001).

TAX AMOUNT

Indicate the total dollars and cents for the amount of tax or fee only. Do not include interest or penalty amounts in this section. If no tax or fee is due, enter zeros (000).

PENALTY AMOUNT

Indicate the total dollars and cents for the amount of penalty only. If no penalty is due, enter zeros (000).

INTEREST AMOUNT

Indicate the total dollars and cents for the amount of interest only. If no interest is due, enter zeros (000).

TOTAL AMOUNT

Indicate the total dollars and cents for the total amount of payment. This must equal the sum of tax or fee, penalty, and interest amounts.

NOTE: When reporting tax/fee, penalty, or interest payments, include cents in all dollar amounts. For example, \$5,000.00 would be reported as "\$5,000 and zero cents." If you are using the touch-tone or personal computer method, you must enter two zeros for the cents.

VERIFICATION CODE

This figure must be calculated before you make your call. It is used to help ensure that the information has been entered correctly. The **two-digit** verification code is a sum of the digits and the number of digits in your total amount. For example, if your total amount is \$56,318.00, your verification code is calculated as follows:

The sum of the digits:
$$5+6+3+1+8+0+0 = 23$$

The number of digits: $(5, 6, 3, 1, 8, 0, 0) = \frac{07}{30}$
Verification code:

The data collection service will also calculate the verification code. Your number and theirs must match to ensure that the information has been entered correctly.

NOTE: An exception to the calculation method described above applies to "zero payments." The verification code for a "Total Amount" of \$0.00 is 01.

WAREHOUSED PAYMENT DEBIT DATE

This is the date that you would like your payment to transfer out of your bank account and into the Board of Equalization's bank account (the settlement date). You may select any banking day up to sixty days in advance. However, you may not select a debit date that is the same date of your call, because your account cannot be debited the same day on which you report your payment.

NOTE: You may skip this step and your payment will transfer the next banking day. Please refer to "Warehousing A Payment" on page 9 for more information.

REFERENCE NUMBER

After you have provided the information needed to initiate your payment, you will be provided a reference number that will indicate the date you reported your payment. You should keep this reference number for your records as evidence of when you paid the tax or fee.

REMINDER: You can call the data collection service at any time to report a tax or fee payment. If you call on the tax due date, however, **you must complete your call by 3:00pm Pacific Time for your payment to be timely.** Any call completed after that cut-off time will be considered to be initiated the next banking day, and will result in a late payment, which will be subject to penalty and interest charges.

C. TRANSACTION INFORMATION

TOUCH-TONE TELEPHONE CALLS

Please refer to "Before You Call" so that all necessary information you will need is available when you report your payment.

Step 1	Step 7		
Dial: 1-800-554-7500.	System: Enter your tax type code.		
Step 2	<i>Enter:</i> (09000, 09001, 09002, or		
System: Welcome to the California EFT	09003)		
System. If you are calling from a touch-	System: You entered		
tone phone, press '1' now. If you have a	Enter: Press # to accept or * to correct		
rotary phone, please hold the line for	and reenter.		
operator assistance.	Step 8		
Enter: 1	System: Enter your tax period ending		
System: To expedite your call, please	date.		
press the pound sign (#) after each entry	Enter:# Respond in 6-digit		
and after the system repeats your entry. If	month, day, year format. (For example,		
your entry or what you hear is NOT	September 30, 2001, would be entered as		
correct, press the star (*) key and the	"093001")		
system will re-prompt that field. At any	System: You entered .		
time during the recording, press the star	Enter: Press # to accept or * to correct and		
(*) key three times to transfer to an	reenter.		
operator.	NOTE: For steps 9-12, remember to		
Step 3	enter cents for all dollar amounts. A		
System: For BOE, press '1'.	decimal point is not used. If you are		
For EDD, press '2'. For FTB, press '3'.	reporting a zero amount, enter 000#.		
For CDI, press '4' for PERS, press '5'.	Step 9		
For SCO, press '6'. For STRS, press '7'.	System: Enter your tax amount.		
Enter: 1#	Enter: \$#		
Step 4	System: You entered dollars		
System: To report a tax payment,	and cents.		
press '1'. To perform a cancellation or	<i>Enter:</i> Press # to accept or * to correct		
inquiry, press '2'. For a security code	and reenter.		
change, press '3'.	Step 10		
Enter: 1#	System: Enter your penalty amount.		
Step 5	Enter: \$#		
System: Enter your BOE account number.	System: You entered dollars		
Enter:#	and cents.		
System: You entered	Enter: Press # to accept or * to correct		
<i>Enter:</i> Press # to accept or * to correct	and reenter.		
and reenter.			
Step 6			
System: Enter your security code.			
Enter: #			

TOUCH-TONE TELEPHONE CALLS (CONTINUED)

Step 11	refer to "Warehousing A Payment" on		
System: Enter your interest amount. page 9 for more information.			
Enter: \$#	Step 14		
System: You entered dollars	System: Enter the date you would like		
andcents.	your bank account debited.		
<i>Enter:</i> Press # to accept or * to correct	Enter:# (Respond in month,		
and reenter.	day, year format. For example		
Step 12	October 31, 2001, would be entered as		
System: Enter your total amount.	"103101")		
<i>Enter:</i> \$#	System: You entered		
System: You entered dollars	Enter: Press # to accept or * to correct		
andcents.	and reenter.		
<i>Enter:</i> Press # to accept or * to correct	Step 15		
and reenter.	System: Tax report accepted. Your		
Step 13	reference number is Repeating,		
System: Enter verification code.	your reference number is		
Enter: #	Please record this number for your		
NOTE: Step 14 is an optional step. You	records.		
may designate any banking day (except	Step 16		
the same day you place your call) up to	System: To disconnect, press '1'. To		
sixty days in advance, as the debit date of	continue with additional functions,		
the payment. (The payment will transfer	press '2'.		
out of your bank account and into the	<i>Enter:</i> One of the following:		
Board of Equalization's bank account on	1# (you will hear "Thank you for using		
the debit date.) Or you may skip this step	the California EFT System")		
(by pressing #) and your payment will	2# (you will be returned to Step 3)		
transfer the next banking day. Please			

OPERATOR-ASSISTED (VOICE) TELEPHONE CALLS

This method of payment is available to you if you have a rotary telephone or if you choose to speak to an operator from the touch-tone menu (you can transfer to an operator by pressing the star (*) key three times anytime during the touch-tone recording.)

Please refer to "Before You Call" so that all necessary information you will need is available when you report your payment.

Step 1
Operator: This is Operator # . Welcome to the California EFT System. Which
agency are you reporting for, BOE, EDD, FTB, CDI, PERS, SCO, or STRS?
Caller: BOE
Step 2
Operator: Is this a payment, cancellation, inquiry or a security code change?
Caller: Payment
Step 3
Operator: What is your BOE account number?
Caller:
Step 4
Operator: What is your security code?
Caller:
Step 5
Operator: What is your tax type code?
Caller: (09000, 09001, 09002, or 09003.)
Step 6
Operator: What is your tax period ending date?
Caller: (Respond in 6-digit month, day, year format. For example, for
September 30, 2001, you would say "093001")
NOTE: For steps 7-10, remember to include cents in all dollar amounts.
Step 7
Operator: What is your tax amount?
Caller: \$
Step 8
Operator: What is the penalty amount?
Caller: \$
Step 9
Operator: What is the interest amount?
Caller: \$
Step 10
Operator: What is the total amount?
Caller: \$
Step 11
Operator: What is the verification code?
Caller·

NOTE: Step 12 is an optional step. You may designate any banking day (except the same day you place your call) up to sixty days in advance, as the debit date of the payment. (The payment will transfer out of your bank account and into the Board of Equalization's bank account on the debit date.) Or you may skip this step and your payment will transfer the next banking day. Please refer to "Warehousing A Payment" on page 9 for more information.

Step 12

~~r			
Operator: What is the date you would like your bank account debited?			
Caller: (Respond in 6-digit month, day, year format. For example, for			
October 31, 2001, you would say "103101")			
Step 13			
Operator: Tax report accepted. Your reference number is Repeating, your reference			
number is Please record this number for your records. Do you have additional			
functions to perform?			
Caller: Yes or no			
Yes (You will be returned to Step 1.)			
No (The operator will say "Thank you for using the California EFT System".)			

INQUIRIES

The following instructions are required when requesting an inquiry. By requesting an inquiry from the touch-tone menu, you will be automatically transferred to an operator for assistance (you can transfer to an operator by pressing the star (*) key three times anytime during the touch-tone recording). Inquiries can be made up to sixty days after the transaction date.

Step 1
Operator: This is operator # Welcome to the California EFT System. Which
agency are you reporting for, BOE, EDD, FTB, CDI, PERS, SCO, or STRS?
Caller: BOE
Step 2
Operator: Is this a payment, cancellation, inquiry or a security code change?
Caller: Inquiry
Step 3
Operator: What is your BOE account number?
Caller:
Step 4
Operator: What is your security code?
Caller:
Step 5
Operator: What is the tax type code of the payment you wish to inquire upon?
Caller: The voice operator will then use on-line access to view the reported
payment using the BOE account number, security code, and tax type code given. The
operator will relate all of the information to the caller, followed by options to make
additional transactions or to exit

NOTE: An inquiry and cancellation can be performed within the same call.

CANCELLATIONS

When requesting a cancellation from the touch-tone menu, you will be automatically transferred to an operator for assistance (you can transfer to an operator by pressing the star (*) key three times anytime during the touch-tone recording). Cancellations are allowed only until the daily cutoff of 3:00pm Pacific Time on the day the original call was made. In the case of a warehoused payment, a cancellation is allowed only until 3:00pm Pacific Time on the day before the debit date.

Before calling the data collection service, be sure you have the following information available:

- Payment amount and all backup information previously reported for the transaction in question.
- The five-digit reference number corresponding to the transaction in question. If it is not available, request an inquiry to obtain the reference number.

REMINDER: Upon cancellation of the tax or fee payment, the correct information must be re-entered.

NOTE: An inquiry and cancellation can be performed within the same call.

PERSONAL COMPUTERS

The personal computer method of payment is achieved through the use of a software package to be installed on your personal computer. The software will be distributed by the data collection service. The minimum requirements and a copy of the software can be obtained by contacting the data collection service customer service department at 1-800-332-4125. Complete installation instructions and access numbers will be provided with the software

This method of communication is not recommended for users that report less than ten payments at a time. The touch-tone telephone method is more time efficient to report less than ten payments.

NOTE: The software will come with a pre-assigned log-on password and security code. The security code should be changed to a code that is unique to you to ensure that outside parties do not have access to your security code. To change your security code, call the data collection service at 1-800-554-7500.

If at anytime you are not able to complete your payment using the personal computer, you may utilize the touch-tone method as an alternative.

Please refer to "Before You Call" so that all necessary information you will need is available when you report your payments.

The software will prompt you for the following information:

- BOE account number
- Security code
- Tax type code
- Tax period ending date
- Tax amount
- Penalty amount
- Interest amount
- Total amount
- Verification code
- Warehoused payment debit date

After your information has been accepted, a reference number will be provided. Please keep this number for your records.

III. INSTRUCTIONS FOR USING THE AUTOMATED CLEARING HOUSE (ACH) CREDIT METHOD

A. INTRODUCTION

DEFINITION

The ACH credit method allows you to transfer funds by instructing your financial institution to debit your account and credit the Board of Equalization's bank account.

HOW TO REPORT A PAYMENT

Because your financial institution will originate your payment, you should contact them for specific procedures to follow.

If you choose the ACH credit method, your financial institution will need:

- the Board of Equalization's EFT banking information on page 22
- the Board of Equalization's bank account number identified in your EFT registration confirmation letter
- the CCD+ Transaction Entry Detail on page 23
- the TXP Addenda Convention Record information on pages 24 and 25.

You must provide this information to your financial institution before you report your first payment.

When you contact your financial institution to report your payment, you must provide them with the filing information required to complete the Automated Clearing House CCD+/TXP records (such as the tax or fee amount and the tax or fee reporting period). The free form portion of the TXP Addenda Convention Record, which will be completed by your financial institution, must be precisely structured as shown in the TXP Addenda Convention layout on page 24.

PAYMENTS TO MORE THAN ONE STATE AGENCY

It is important to note that each tax agency has its own bank account number and requests different information for the "free form area" of the Tax Payment (TXP) Addenda Convention Record. Although the actual addenda formats for each agency may look similar, the information requested is different.

WHEN TO REPORT A PAYMENT

To be timely, your tax or fee payment must be initiated on or before the due date and the funds must transfer into the Board of Equalization's bank account on the banking day following the date the payment is initiated. You must check with your financial institution to determine when you should originate your payment so that the payment will be in the Board's bank account on time.

You should also check with your financial institution to ensure that they are open for business the day you plan to originate your payment through the ACH network.

CORRECTIONS

If you use the ACH credit method and discover you have reported erroneous information to your financial institution, you must contact your financial institution directly for assistance. If you are unable to correct the information, you should contact the Special Taxes division that administers your tax or fee program to report the problem. Division phone numbers are listed on the inside front cover of this pamphlet.

PRENOTE TEST

It is strongly recommended that your financial institution conduct a prenote (prenotification) test to validate the Board of Equalization's routing/transit number and bank account number. This test uses a zero-dollar amount and must be made at least ten days prior to origination of your first EFT payment.

WHEN TO FILE YOUR RETURN

You must still continue to file your tax or fee return *form* on a timely basis. The reporting due dates and requirements have not changed. Please refer to your return or prepayment form for the due date

B. ACH CREDIT FORMAT

CCD+/TXP FORMAT REQUIREMENTS

In order to transfer an ACH credit tax or fee payment correctly, the payment must be originated using the *Cash Concentration or Disbursement Plus Tax Payment Addendum* (CCD+/TXP) format. This is the standard format that has been adopted for tax and fee payments by the National Automated Clearing House Association (NACHA) and endorsed by the Federation of Tax Administrators (FTA).

NACHA record formats for CCD+/TXP entries flow in the following order:

File Header Record

Company/Batch Header Record

Entry Detail Record

TXP Addendum Record (carries an 80 character free form field) (See page 24)

Company/Batch Control Record

File Control Record

For more complete information on NACHA formats, specifications, and definitions, please refer to the NACHA *ACH Operating Rules* book. You may request a copy of the NACHA *ACH Operating Rules* book from your financial institution.

The "CCD+ Transaction Entry Detail" format and explanations are shown on page 23. The free form portion of the "TXP Addenda Convention Record" must be precisely structured as shown on page 24. It is your responsibility to provide your financial institution this information for the CCD+ Transaction Entry Detail Record and the free form portion of the TXP Addenda Convention Record.

BOARD OF EQUALIZATION BANK INFORMATION

The following Board of Equalization banking information is needed to complete the ACH CCD+/TXP record formats:

Bank Name: Union Bank of California Name of Account: Board of Equalization

Bank Routing/ABA Number: 122000496

Account Number: Will be provided to you after your EFT Authorization

Agreement (BOE-555-ST) is received.

C. CCD+ TRANSACTION ENTRY DETAIL (RECORD 6)

FIELD	DATA ELEMENT NAME	CONTENTS	LENGTH	POSITION
1	Record Type Code	"6"	1	01-01
2	Transaction Code	Numeric	2	02-03
3	Receiving DFI Identification	"12200049"	8	04-11
4	4 Check Digit		1	12-12
5	*DFI Account Number	Alphanumeric	17	13-29
6	Amount	\$\$\$\$\$\$\$cc	10	30-39
7	**Individual Identification Number	BOE Account Number	15	40-54
8	***Individual Name	BOE Account Name	22	55-76
9	Discretionary Data	Alphanumeric	2	77-78
10	Addenda Record Indicator	Numeric	1	79-79
11	Trace Number Indicator	Numeric	15	80-94

^{*} This field contains the Board of Equalization's bank account number. This number will be provided after you submit your EFT Authorization Agreement form (BOE-555-ST) selecting the ACH credit payment method.

^{**} This field contains your eight-digit BOE account number. Left justify the eight digits. **Do not include alphabetic characters, spaces, or hyphens.**

^{***} This field contains the name on your BOE account. For corporations, enter the corporation name; for individuals or sole proprietorships, enter the name of the individual or sole proprietor (last name first); for partnerships, enter the name of one partner (last name first); for governmental agencies, enter the name of the government agency as listed on the account.

D. TXP ADDENDA CONVENTION (RECORD 7) -FREE FORM ENTRIES

The information listed below is entered into the "free form" area of the TXP Addenda Convention Record (positions 4-83). The information entered in this format must be precisely structured as shown below. All fields must be separated by an asterisk (*). The last field entry must be terminated by a back slash (\). Explanations for the field entries are given on page 25.

		Field Require-	Data Element	Data Element	
Field #	Field Name	ment	Type	Length	Contents
	Segment Identifier Separator				TXP *
TXP01	Taxpayer Account # Separator	4 M	N	8	XXXXXXXX *
TXP02	Tax Type Code Separator	M	N	5	XXXXX *
TXP03	Tax Period End Date Separator	e M	N	6	YYMMDD *
TXP04	Amount Type Separator	M	A	1	T *
TXP05	Amount Separator	M	N	1-10	\$\$\$\$\$\$\$\$cc *
TXP06	Amount Type Separator	M	A	1	P *
TXP07	Amount Separator	C	N	1-10	\$\$\$\$\$\$\$\$cc *
TXP08	Amount Type Separator	M	A	1	I *
TXP09	Amount Separator	C	N	1-10	\$\$\$\$\$\$\$\$cc *
TXP10	Verification # Segment Terminator	O	AN	1-6	XXXXXX
	A = Alphabetic AN= M= Mandatory N=	Alphabetic Numeric	and/or Numeric	C= Con O= Op	nditional tional

Key:	A = Alphabetic	AN= Alphabetic and/or Numeric	C= Conditional
	M= Mandatory	N= Numeric	O= Optional

Transaction will NOT pass information correctly if:

- Alpha characters are entered in field TXPO1
- Tax type code is missing in field TXPO2
- Payment type code is missing from fields TXPO4, TXPO6, or TXP08

E. TXP ADDENDA CONVENTION RECORD ENTRIES — DEFINITIONS

Listed below are the definitions for the field entries used in the TXP Addenda Convention Record Layout for the Board of Equalization.

Segment Identifier This identifies the transfer as a tax or fee payment. It must always be coded as "TXP".

Separator The separator or data element separator is used to separate fields (data elements) within a segment. The character to be used as separator is the asterisk (*).

TXP01 *Taxpayer Account Number*. This data element is the eight-digit account number assigned to tax or fee payers by the Board of Equalization. Do not include the alpha characters that precede the eight digits. For example, a BOE account number may look something like the following: TK MT 12-345678. Only the 12345678 should be included in this data element (without the hyphen).

TXP02 *Tax Type Code*. The tax type code is used to identify the type of tax payment being made. The following codes are used by the Special Taxes Department of the Board of Equalization:

09000 Tax or Fee Return Payment

09001 Tax or Fee Prepayment #1

09002 Tax or Fee Prepayment #2

09003 Accounts Receivable Payment

TXP03 *Tax Period Ending Date*. This date represents the last day of the tax or fee reporting period and must be reported in a 6-digit YYMMDD format (for example, December 31, 2000, would be reported as 001231).

TXP04 *Amount Type*. The amount type code identifies what type of amount follows. This data element must always be coded as "T" to indicate *tax or fee amount*.

TXP05 *Amount*. Enter tax or fee amount here (do not include interest and penalty payments). In the event no tax or fee amount is due, enter zero to comply with the filing requirements. The amount must always indicate cents; however, do not include decimal point (e.g., \$58,485.00 would be entered as 5848500, zero dollars as 000).

TXP06 *Amount Type*. The amount type code identifies what type of amount follows. This data element must always be coded as "P" to indicate *penalty amount*.

TXP07 *Amount*. Enter penalty payment amount here. In the event no penalty amount is due, enter zero to comply with the filing requirements. The amount must always indicate cents; however, do not include decimal point (e.g., \$5,848.50 would be entered as 584850, zero dollars as 000).

TXP08 *Amount Type*. The amount type code identifies what type of amount follows. This data element must always be coded as "I" to indicate *interest amount*.

TXP09 *Amount*. Enter interest payment amount here. In the event no interest amount is due, enter zero to comply with the filing requirements. The amount must always indicate cents; however, do not include decimal point (e.g., \$620.00 would be entered as 62000, zero dollars as 000).

TXP10 *Taxpayer Verification*. This field is optional. It is used to verify the taxpayer's identity. If used, the first six characters of the company name should be entered.

Segment Terminator The segment terminator identifies the end of the free form portion of the addenda record and must always be coded as a "\".

Example: TXP*12345678*09000* 001231*T*5848500*P*000*I*000\

APPENDIX A

GLOSSARY OF TERMS AND ACRONYMS

ACH Automated Clearing House means any entity that operates as a clearing

house for electronic debit or credit entries pursuant to an agreement with an

association that is a member of the National ACH Association.

ACH Credit ACH credit is one means by which money is transferred electronically

> through the automated clearing house (ACH) network. An ACH credit transaction is one in which the tax or fee payer, through his or her own financial institution, originates an entry crediting the state-designated bank account and debiting his or her own account for the amount of the tax or fee

payment.

ACH Debit After payment instructions are received from the tax or fee payer, the state,

> through its depository bank, originates an ACH transaction debiting the designated tax or fee payer's financial institution account and crediting the

state's bank account for the amount of the payment.

CCD+ Cash Concentration or Disbursement Plus Addenda is a standard NACHA

> data format used to make ACH credit or debit transactions. The CCD+ format combines the widely used CCD+ format with a single addendum record that can carry 80 characters of payment-related data known as the

TXP (see also "TXP" on next page).

Data Collection Service

Also known as a third-party vendor, the data collection service is the party responsible for the collection of tax or fee payers' information for the purpose of initiating an ACH debit transaction. Tax or fee payers may report information to the service by means of voice, touch-tone telephone, or

personal computer.

EFT Electronic Funds Transfer is a term that identifies the type of systems used

to transfer payments or funds electronically. EFT refers to any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephonic instrument, computer or magnetic tape, so as to order, instruct, or authorize a

financial institution to debit or credit an account

Federal System

The Federal Reserve Bank (FRB) system is the central banking system of the Reserve Bank United States, consisting of twelve regional reserve banks and those member depository institutions that are subject to reserve requirements.

Fedwire One wire transfer system used generally to transfer large dollar amounts

instantaneously and which is provided by the Federal Reserve Bank system.

Initiation Date The date an EFT tax or fee payer instructs a financial institution or the state's data collection service to process a transfer of funds. The initiation date is usually the bank day preceding the settlement date. The initiation date for ACH debit transactions is one bank day before the settlement date, providing the transaction is completed before 3:00pm, Pacific Time. The initiation date for ACH credit transactions can vary, based on individual bank process times.

NACHA

The *National Automated Clearing House Association* is the association that establishes the standards, rules, and procedures that enable depository financial institutions to exchange ACH payments on a national basis.

ODFI

The *Originating Depository Financial Institution* is the financial institution that originates ACH entries at the request of, and by agreement with, its customers. ODFI's must abide by the provisions of the NACHA Operating Rules and Guidelines.

Prenote Test

A zero-dollar entry sent through the ACH network to verify banking information. If a prenote (prenotification) is processed, it must be done at least 10 calendar days before EFT payment initiation.

Reference Number A number provided by the data collection service to callers using the ACH debit payment method. Given after a caller has provided information needed to initiate a payment, the reference number indicates the date and time the payment was reported and can be used to aid in the tracing of a payment. Reference numbers may also be used in Fedwire transactions.

Settlement Date The date an exchange of funds, with respect to an entry, is reflected on the books of the Federal Reserve Bank(s) and participating financial institutions.

TXP

The *Tax Payment Banking Convention Record Format* contains the data format, contents, and implementation suggestions for tax or fee payers who choose to initiate a tax or fee payment through the Automated Clearing House by the ACH credit method. This convention is to be used with the NACHA CCD+ format and is carried in the 80-character free form field of the addendum record.

Warehousing

The reporting and electronic storage of ACH payment instructions up to 60 days before a payment due date. The payment instructions are transferred at a predetermined settlement date (debit date) requested by the initiator (tax or fee payer).